## Message Text

CONFIDENTIAL

PAGE 01 MADRID 00013 01 OF 02 021752Z

41

**ACTION EUR-12** 

INFO OCT-01 IO-10 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07

L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

OMB-01 ACDA-05 SAJ-01 SAM-01 EB-07 COME-00 LAB-04

SIL-01 CIEP-01 TRSE-00 HEW-02 /092 W

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R 021554Z JAN 76

FM AMEMBASSY MADRID

TO SECSTATE WASHDC 4110

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY LISBON

AMEMBASSY PARIS

AMEMBASSY STOCKHOLM

AMEMBASSY COPENHAGEN

AMEMBASSY OSLO

AMEMBASSY VIENNA

AMEMBASSY THE HAGUE

AMEMBASSY ROME

USMISSION USEC BRUSSELS

USMISSION GENEVA

CONFIDENTIAL SECTION 1 OF 2 MADRID 0013

E.0. 11652: GDS TAGS: ELAB, SP

SUBJ: NEW SPANISH GOVT AND LABOR POSSIBILITY OF SYNDICAL REFORM

SUMMARY: LABOR MINISTER JOSE SOLIS IS ONE OF PRINCIPAL FALANGISTS IN NEW CABINET AND IS EXPECTED TO GIVE REFUGE IN HIS MINISTRY TO DISPLACED FALANGISTS, SO LONG AS HE LASTS. AT THIS POINT, HE DOES NOT SEEM LIKELY TO PLAY A STRONG ROLE IN LABOR POLICY. PROMINENT YOUNG REGIME "APERTURISTA", MINISTER OF SYNDICAL RELATIONS MARTIN VILLA, IS EXPECTED TO START TACKLING PROMPTLY THORNY QUESTIONS OF SYNDICAL REFORM AND LABOR LIBERALIZATION. END SUMMARY CONFIDENTIAL

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PAGE 02 MADRID 00013 01 OF 02 021752Z

- 1. IN DEC 15 CABINET CHANGE, BOTH CABINET MEMBERS RESPONSIBLE FOR LABOR POLICY, I.E., LABOR MINISTER AND MINISTER OF SYNDICAL RELATIONS, WERE REPLACED.
- 2. OUSTER OF FORMER MINISTER OF LABOR FERNANDO SUAREZ, ONE OF THE MOST LIBERAL MINISTERS IN PREVIOUS CABINET, SURPRISED MOST OBSERVERS, AS DID HIS REPLACEMENT BY JOSE SOLIS RUIZ, CONSERVATIVE MINISTER OF NATIONAL MOVEMENT IN PREVIOUS CABINET, AND HEAD OF NATIONAL MOVEMENT AND GOVT-CONTROLLED SPANISH SYNDICAL ORGANIZATION (SSO) DURING 1950'S AND 1960'S. SOLIS DOES NOT HAVE TITLE OF THIRD VICE PRESIDENT OF GOVT WHICH HIS PREDECESSOR HAD, AND HIS TRANSFER FROM NATIONAL MOVEMENT TO LABOR MINISTRY IS DEFINITELY A DEMOTION. SOLIS IS EXPECTED USE LABOR MINISTRY TO PROVIDE JOBS FOR VARIOUS OF HIS OLD FALANGIST AND SSO CRONIES WHO MAY FIND THEMSELVES DISPLACED IN POST-FRANCO SITUATION. LABOR MINISTER HAS SUBSTANTIAL PATRONAGE POWERS SINCE, IN ADDITION TO USUAL DIRECTORS GENERAL AND OTHER APPOINTIVE POSITIONS IN HIS MINISTRY, HE IS ALSO RESPONSIBLE FOR APPOINTMENT OF HIGH OFFICIALS OF A WIDE RANGE OF SEMI-AUTONOMOUS ENTITIES UNDER LABOR MINISTRY (E.G., GOVT'S VAST SOCIAL SECURITY APPARATUS) AND ALSO FOR LUCRATIVE POSTS IN MORE THAN 30 GOVT PENSION AND WELFARE PLANS.
- 3. DESPITE SOLIS' CURRENT IDENTIFICATION WITH CONSERVATIVE "BUNKER", HE IS NOT NOW BELIEVED LIKELY TO TRY TO HINDER GOVT LIBERALIZATION EFFORTS. SOLIS' APPOINTMENT OF ANTONIO CHOZAS BERMUDEZ, A LONGTIME COLLABORATOR MUCH MORE LIBERAL THAN SOLIS, AS SUBSECRETARY OF LABOR IS AN INDICATION THAT SOLIS, BASICALLY A CONSUMMATE OPPORTUNIST, IT LIKELY TO MOVE WITH THE PREVAILING WINDS. HIS APPOINTMENT AS LABOR MINISTER, THEREFORE, APPEARS TO HAVE BEEN A MOVE DESIGNED TO PROVIDE A SYMBOL OF RIGHTIST PRESENCE IN THE CABINET, ALSO TO FACILITATE PROVISION OF GOVT JOBS TO REFUGEES FROM THE "BUNKER" AND THUS HELP NEUTRALIZE LATTER POLITICALLY. SOME QUESTION HOW LONG HE WILL ACTUALLY STAY IN THE CABINET. A FUTURE PARTIAL CABINET REORGANIZATION AT A POLITICALLY CONVENIENT TIME COULD SEE HIM REPLACED.
- 4. NEW MINISTER FOR SYNDICAL RELATIONS AND HEAD OF SSO MARTIN VILLA IS A PROMINENT YOUNG "APERTURISTA" WHO WAS SSO CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MADRID 00013 01 OF 02 021752Z

SECGEN (NUMBER TWO POSITION IN SSO) FROM 1969-1973 UNTIL
HE WAS OUSTED FROM HIS POST FOR HIS THEN TOO LIBERAL VIEWS.
IN MID-1974 HE WAS GIVEN IMPORTANT POST OF CIVIL GOVERNOR OF
BARCELONA, IN WHICH HE HAS BEEN CREDITED, EVEN BY OPPOSITION,
AS HAVING CONDUCTED A HIGHLY ENLIGHTENED CIVIL ADMINISTRATION
AND WHERE HE ALSO WORKED CLOSELY WITH JOSE MARIA SOCIAS HUMBERT,
THE PROVINCIAL SSO DELEGATE (ALSO A 1974 IVP LEADER GRANTEE).

BY SEPT 1975 SOCIAS' LIBERAL IDEAS, STROGLY ENDORSED BY MARTIN VILLA, BECAME TOO MUCH FOR RECENTLY REPLACED SYNDICAL MINISTER FERNANDEZ SORDO, WHO SACKED SOCIAS. MARTIN VILLA'S RESIGNATION AS BARCELONA CIVIL GOVERNOR WAS ALSO BEING LOUDLY DEMANDED BY MEMBERS OF "BUNKER" IN GOVT, BUT FRANCO'S DEATH INTERVENED. WITH APPOINTMENT TO CABINET, MARTIN VILLA HAS HAD HIS AND SOCIAS' LIBERAL SYNDICAL VIEWS VINDICATED. ALTHOUGH HE HAS NOT YET DESIGNATED HIS NEW SSO SECGEN, MARTIN VILLA REPORTEDLY MAY DESIGNATE SOCIAS TO THIS IMPORTANT POST.

5. MARTIN VILLA IS REPORTEDLY PLANNING TO TACKLE URGENT PROBLEM OF SSO REFORM, BUT IT IS UNCLEAR HOW FAR HE INTENDS, OR WILL BE ABLE, TO GO. ACCORDING TO CARLOS IGLESIAS SELGAS, PRESIDENT OF ONE OF NATIONAL SYNDICATES, ONE OF FEW LIBERALS AMONG TOP SSO ELECTED LEADERSHIP, AND A CLOSE COLLABORATOR OF MARTIN VILLA, FIRST STEPS WILL BE TO SEEK TO EFFECT A NEAR-TOTAL DIVORCE BETWEEN SSO EMPLOYER AND WORKER GROUPS, AS WELL AS A SEPARATION OF SSO FROM DIRECT GOVT CONTROL. IGLESIAS SAID OTHER REFORMS WILL HAVE TO BE MORE GRADUAL AND WILL ALSO HAVE TO OVERCOME RESISTENCE BY CONSERVATIVE "CORTES", BUT THEY WOULD INCLUDE: (A) COMPLETE REVISION OF 1971 SYNDICAL LAW; (B) EVENTUAL ABOLITION OF POST OF SYNDICAL MINISTER; (C) GRANTING OF UNFETTERED RIGHT TO STRIKE; (D) ESTABLISHMENT OF OTHER TRADE UNION LIBERTIES; AND (E) PROFOUND STRUCTURAL CHANGES, WHICH HE DID NOT SPECIFY, IN SSO ITSELF (ALTHOUGH NOT ITS ABOLITION).

CONFIDENTIAL

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PAGE 01 MADRID 00013 02 OF 02 021738Z

41

ACTION EUR-12

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SIL-01 CIEP-01 TRSE-00 HEW-02 /092 W ----- 091444

R 021554Z JAN 76 FM AMEMBASSY MADRID TO SECSTATE WASHDC 4111 INFO AMEMBASSY BONN
AMEMBASSY LONDON
AMEMBASSY LISBON
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AMEMBASSY VIENNA
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AMEMBASSY ROME
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## CONFIDENTIAL SECTION 2 OF 2 MADRID 0013

6. ONE OF BIGGEST OBSTACLES TO SYNDICAL REFORM IS TOP
"ELECTED" SSO LEADERSHIP ITSELF, WHO CANNOT BE REMOVED
BY SSO MINISTER, AND WHO ALSO LARGELY COMPRISE 150 SYNDICAL
MEMBERS OF CONSERVATIVE "CORTES". NONETHELESS, IGLESIAS,
HIMSELF A SYNDICAL "CORTES" MEMBER, CLAIMS HE HAS BEEN
CALLED UPON BY MARTIN VILLA TO LEAD A SMALL LIBERAL GROUP
OF SYNDICAL "CORTES" MEMBERS IN PUSHING SYNDICAL REFORM.
THUS IGLESIAS AND FIVE OTHER LIBERAL SYNDICAL "CORTES"
MEMBERS HAVE JOINED "GRUPO PARLAMENTARIO" GROUP OF 25-30
MOST LIBERAL "CORTES" EMBERS AND IGLESIAS ON DEC 11 SUBMITTED
FAR-REACHING BLUEPRINT FOR DEMOCRATIZATION OF "CORTES" TO NEW
CONSERVATIVE "CORTES" PRESIDENT FERNANDEZ MIRANDA, WHO HE
CONFIDENTIAL

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PAGE 02 MADRID 00013 02 OF 02 021738Z

CLAIMED MET PROJECT WITH HOSTILITY. IGLESIAS ALSO FEELS MANY SYNDICAL "CORTES" MEMBERS WILL, OUT OF OPPORTUNISM, SWITCH POSITIONS AND FOLLOW LIBERAL LEAD OF NEW SYNDICAL MINISTER. NONETHELESS, RIGHT WING CAST OF MANY SYNDICAL "CORTES" MEMBERS WAS ILLUSTRATED WHEN SYNDICAL "BUNKER" AND "CORTES" MEMBER JOSE BANALES IN LATE DECEMBER LED AN ATTACK IN "CORTES" ON LIBERAL STATEMENTS NEW FONMIN AREILZA HAD MADE IN PARIS (MADRID 8883).

7. COMMENT: IT APPEARS THAT INITIATIVES RE GOVT LABOR
POLICY WILL BE PRIMARILY IN HANDS OF SSO MINISTER MARTIN
VILLA. LATTER UNDOUBTEDLY DESIRES TO BRING ABOUT EFFECTIVE
SYNDICAL REFORM, BUT HE IS CERTAIN TO ENCOUNTER STIFF RESISTANCE
FROM "BUNKER" ELEMENTS. ATTITUDE OF CLANDESTINE LABOR OPPOSITION
IS HIGHLY SKEPTICAL, ALTHOUGH THEY CONCEDE THAT IF THERE IS A
REGIME FIGURE WITH OUTSIDE CHANCE OF BRINGING ABOUT SYNDICAL
REFORM IT IS MARTIN VILLA.
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PRINCIPAL

TAGS: ELAB, SP, (SOLIS RUIZ, JOSE), (VILLA, MARTIN)

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